Ministry of
Management Services

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Ministry of
Management Services

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Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

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Accountability Statement

The 2001/02 Ministry of Management Services Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Sandy Santori
Minister of Management Services

June 7, 2002

BRITISH COLUMBIA

Ministry of Management Services

The creation of the Ministry of Management Services brought together a number of key corporate and administrative functions within government. This signalled a recognition on the part of government, that as our programs and services underwent transformation to become more affordable, cost-effective, efficient and sustainable, so too would the common administrative and support services to ministries undergo significant change.

That change, to develop new approaches and processes to manage support services to government ministries, is well underway. The result will be less duplication in the delivery of common support services such as payroll and leave management, purchasing and supply services, accounts payable, common administrative support services and information technology services. Developing an effective system for common, consistent and quality services in these areas is a significant challenge. This overall approach will also provide unique opportunities to improve service delivery and streamline processes.

The goal of this change process is to continue to provide these services in an effective way in order to allow individual government ministries to focus their resources and energy on delivering programs and services directly to the public.

Our Ministry is also charged with ensuring increased openness and competition in government tendering and procurement. We are also reviewing our Freedom of Information and Protection of Privacy legislation and practices so that British Columbians continue to benefit from what is regarded as one of the best privacy protection and access acts in Canada.

Progress in all of these areas is evidenced by the activities and accomplishments highlighted in this report. Ministry staff have undertaken these challenges with enthusiasm and diligence. I am confident that the steps we have taken to date will provide a foundation for the ongoing change needed to better serve government and the public.

Hon. Sandy Santori
Minister of Management Services

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Year-at-a-Glance Highlights

E-Government Initiatives:

- Significant progress has been made toward an integrated one-stop access for citizens by consolidating BC Connects, BC Internet Services, BC OnLine and Enquiry BC.
- Implementation planning is underway for the launch of government's Enterprise Portal in the fall of 2002. One-stop access will be carried forward with that launch.
- The Corporate Annual Report system (developed by Government Services and Registries, Ministry of Finance) was launched through BC OnLine on January 28, 2002. This system allows electronic filing of corporate annual reports and is the first service to offer the option of credit-card payment through BC OnLine.
- An on-line authentication service (BCe-ID) was launched February 19, 2002, initially developed to support BC Pension Corporations's business needs. BCe-ID will become the common authentication function for e-government in B.C. There will be broader applications for BCe-ID as it will become a key tool for secure e-business with the public.
- BC Stats has developed a Web-based survey tool and expertise capable of providing government ministries with continuous, timely and cost-effective feedback on how well they are doing business as a service provider and as an employer.
- The capability and infrastructure to securely store and manage electronic records in the custody of BC Archives has been established.
- An Enterprise Document and Records Management System will be piloted during the upcoming months. This system will deploy a document and records management system to each desktop in government; the system will enable every employee to manage, file and retrieve documents and records efficiently.
- The Waste Buster Web site, launched on August 15, 2001, resulted in more than 70,500 visits and more than 5,900 submissions by March 31, 2002.
- Consolidating the posting of government bid opportunities for goods, services and construction on BC Bid (www.bcbid.ca) has provided easier access for suppliers at a one-stop Internet site. In the fiscal year ending March 31, 2002, the total opportunities posted on BC Bid increased 16 per cent to 3,007 bid notices. This total includes a 27 per cent increase in bid opportunities posted by public-sector agencies outside government ministries.
- The BC Bid upgrade is underway with implementation in July 2002. In addition to all current functions, the BC Bid upgrade will enable suppliers to provide on-line quotes and proposals in response to opportunities posted by the British Columbia government and will enable buyers to initiate on-line requisitions and opportunity posting.
- The Common Information Technology Services branch of the Ministry is assisting in the *New Era* commitment of extending high-speed, broadband Internet access. They led negotiations for the Ministry of Advanced Education and the Ministry of Education to upgrade network access for several B.C. colleges and schools. They also advised Kamloops, Penticton and the Columbia Basin Trust in considering local broadband initiatives.
- The Common Information Technology Services branch worked with the Rural Healthlinks Project of the Ministry of Health Services and conducted a pilot project using videoconferencing technology to improve medical services to remote communities.

Legislation/Policy Initiatives:

- Amendments to the *Freedom of Information and Protection of Privacy Act* (FOIPP) that will respond to the recommendations of the Special Legislative Committee on FOIPP and address compliance and cost issues are being introduced during the spring 2002 legislative session. Further improvements requested by the Premier to increase openness and reduce compliance costs are planned for the spring of 2003.
- Legislation to protect the personal information of B.C. citizens held by the private sector is being prepared for introduction in the spring of 2003.
- Extensive consultations have been carried out with consensus beginning to form for the Open and Fair Procurement legislative initiatives. A Procurement Reform Discussion Paper was developed in consultation with ministries and the private sector to identify procurement legislation and related policy issues that require modernization. The paper has been available on the Purchasing Commission Web site since March 27, 2002 for review and comment. The Request for Legislation will be completed by July 2002 for the spring 2003 legislative session.
- Effective March 31, 2002, Crowns, municipalities, academic institutions and health and social service entities are covered by the procurement provisions of the Agreement on Internal Trade. This resulted from a decision made at Open Cabinet on July 18, 2001 regarding restoring open tendering on government contracts.

Shared Services:

- Cabinet and Treasury Board approved the ministry's Shared Services Strategic Plan and confirmed direction to proceed to implementation planning in December 2001.
- Examples of shared services currently being planned and implemented are: travel payments, information technology servers, information technology infrastructure help desk, distributed computing services, purchase card and information technology procurement.
- A shared services structural framework discussion paper has been distributed for consultation to describe key partners' roles, responsibilities, accountabilities and relationships in a shared services system. Stakeholder consultation was completed in March 2002.
- The Shared Services organization will be operational by April 2003, with the implementation of a suite of services including accounts payable, travel processing, procurement and supply management and the consolidation of information technology for many ministries. Full transition will be completed over the next two years.

Ministry Role and Services

Vision

British Columbia has the most cost-effective, innovative and responsive support services in Canada for delivering government services to the public.

Mission

To provide shared services and high-quality corporate programs for government's internal operations to better enable government to serve the people and businesses of British Columbia.

Values and Principles

In pursuing our mission and mandate we will remain committed to the following values and principles which will guide all our activities and provide the foundation for our success as an organization.

Values

- Honesty
- Fairness
- Integrity
- Teamwork
- Responsibility
- Accountability

Principles

Client-focused	We value and involve our internal and external clients and strive to remain responsive to their needs.
Cost-competitive	We will provide effective and streamlined services that are cost-competitive with similar agencies.
Results oriented	We recognize the importance of measuring our performance, providing demonstrable value for our clients and remaining accountable for results.
Innovative	We will champion staff creativity and best practices to remain adaptive to our environment.
Teamwork	We strive to develop a high-performance culture that recognizes the value of collaboration and rewards both individual and collective achievements.
Partnerships	We appreciate the importance and benefit of partnerships within the Ministry and with other ministries, Crown corporations and businesses.
Healthy workplace	We operate in a manner that promotes mutual respect, integrity and a culture of personal and professional development.

Core Business Areas

The Ministry of Management Services, created in June 2001 to provide key support services to government, is undergoing a strategic shift toward the development of a shared services model that will apply to all government ministries initially, and may later be extended to the broader public sector. Because full implementation of a shared services program and agency will take two to three years, some shared services will be phased in earlier than others.

The Ministry's Procurement and Supply and Common Information Technology Services divisions, as well as components of the Corporate and Ministry Support Services will become part of the future Shared Services organization.

In order to realize our mandate and achieve our strategic direction, the Ministry has established the following four core business areas:

Procurement and Supply Services

- Provides value-added supply solutions to government, largely on a fee-for-service basis. These include: the acquisition of goods and services; provision of printing, publishing and mail services; warehousing and distribution of office and specialty products; as well as responsibility for Government House. It also disposes of government's surplus assets, manages intellectual property and operates the "bC Bid" system to post opportunities for government contracts.

Common Information Technology Services

- Provides common information technology services to public-sector organizations. Services include: voice and data networks; distributed computing; information technology help desk services; shared data processing; electronic mail; common application software support; and security and anti-virus protection.

Corporate and Ministry Support Services

- Provides the Ministry of Management Services, as well as a number of other agencies and ministries, with financial administration, personnel management, information technology management, staff development and training and other related services.

Corporate and Information Programs

- Provides a range of corporate government programs including Records Management, Corporate Privacy and Information Access, BC Stats, BC Archives, BC Connects (including Enquiry BC and BC OnLine), Waste Buster and BC Internet Services.

These four core business areas include all Ministry of Management Services' programs and services and each contributes directly to one or more of the following Ministry goals.

Ministry Goals

The Ministry of Management Services has identified five long-term goals that are derived from our mandate and direction from government.

Goal 1: Taxpayers get value from the way the government runs its internal operations.

The province's taxpayers expect that government programs and services will be delivered cost-effectively. The Shared Services delivery organization will produce good value by reducing duplication as well as leveraging technology, infrastructure and specialist skill investments.

The Ministry is also committed to creating partnerships with both clients and the private sector, and to the expansion of cost-recovery models.

Goal 2: Citizens have access to government when and how they need it.

British Columbians increasingly expect government services to be accessible in person, by telephone and electronically. In keeping with the Government's *New Era* commitments, the Ministry will support the Chief Information Officer in the development of 24-hours-a-day, seven-days-a-week electronic access to core government services. On-line citizen access will also be improved by the development of a single-window gateway that will not only link government programs and services with the clientele they serve, but also promote greater accountability and openness. Ultimately, our aim is to help restore British Columbia as a world leader in e-government.

Goal 3: Government's procurement of goods and services is fair, open and competitive.

Effective management of public resources and tax dollars requires that best value is obtained through open and competitive procurement, innovative management practices and reform of the existing procurement legislation.

Improvement of the BC Bid system as the single on-line access point for public-sector procurement and possible expansion into the broader public sector will promote a more competitive environment at reduced cost.

Goal 4: Public has confidence in the way government and regulated bodies manage the information they hold.

In March 2002 the Ministry introduced amendments to legislation to update the *Freedom of Information and Protection of Privacy Act* to reduce compliance costs, provide greater transparency and accountability and better protect the privacy of all British Columbians.

Private-sector privacy legislation will also be developed to ensure the protection of personal information by the private sector — to respond to the 92 per cent of British Columbians who responded that they want this kind of legislation and to comply with federal and international standards and requirements.

Goal 5: To be a high-performing organization.

Achievement of the Ministry's goals requires an innovative, responsive and healthy organization. In order to build organizational capacity to deliver services, the Ministry will continuously develop our workforce and foster a healthy workplace.

In achieving these goals, the Ministry is committed to measuring our performance and ensuring proper accountability to the Legislature, clients and the public.

Public Service Appeal Board

The board is responsible for upholding the principle of merit in the job competition process in the public service. It hears and rules on appeals from employees who are unsuccessful candidates for public service jobs and has the power to have appointments rescinded and reconsidered. The board has three part-time members and a part-time Chair. Under the *Public Service Act*, the board has the power to appoint members to hear one or more appeals.

Achievement of Performance Targets for 2001-2002

Target: To rule on appeals from employees who are unsuccessful applicants in public-service competitions.

Progress:

- A total of 88 appeals were filed during fiscal 2001-2002, down from 151 the previous year.
- Ministries cancelled 19 appealed competitions; 44 appeals were voluntarily withdrawn; two appeals were filed by appellants who did not have appeal rights as established under the Public Service Act; six appeals did not meet the filing deadline established by the Public Service Appeal Regulation.
- Seventeen appeals were heard, a decrease of 23 over the previous year.
- As a result of early dispute resolution, 71 appeals or 80.7 per cent of the appeals launched were resolved without the need for a hearing.
- Seven pre-hearings resolved administrative issues — a decrease of 10 over fiscal year 2000-2001.

Target: To reduce the appeal processing time while maintaining procedural fairness.

Progress:

- The appeal board met quarterly for policy and professional development.
- A new Web site provides the public, human resources advisers, employees, appellants and union representatives with greater access to appeal-related information. It also allows applicants to file appeals on-line.

C.J. Connaghan,
Chair, Public Service Appeal Board

Update on *New Era* Commitments

New Era Commitments Achieved

- The Legislature passed merit employment legislation to ensure a professional, non partisan public service.
- The Ministry established a Waste Buster Web site for taxpayers to help identify, report and stamp out government waste.
- The Ministry co ordinated government's efforts to remove immediate legislated policy and other impediments to fair and open tendering on government contracts to allow fair competition for businesses and provide better value to taxpayers.
- The Ministry is using on-line procurement technology to save costs and maximize taxpayers' value for money on all major government purchases.

Ongoing *New Era* Commitments

- With the Office of the Chief Information Officer, the Ministry is restoring B.C. as a world leader in e-government to give 24-hours-a-day, seven-days-a-week on-line access to core services and to give citizens and business better on-line access to core services.
- The Ministry is cutting the cost of paper flow by digitizing all possible government data, forms and information.
- The Ministry is eliminating administrative duplication and costs.
- The Ministry introduced procurement reform through a whole suite of activities including legislation, policy, training and education to increase public-sector capacity to open procurement practices.

Key Projects

- In December 2001 Cabinet endorsed a strategy for the implementation of a shared support services delivery system for government's internal operations that can potentially be expanded into the broader public sector in the future.
- Amendments to the *Freedom of Information and Privacy Act* were introduced in March, 2002. The amendments are intended to improve privacy protection, increase openness and accountability and reduce overall compliance costs.
- The ministry is developing legislation to protect the personal information of British Columbians held by the private sector — a foundation for electronic commerce.

Performance Measures

Introduction

In keeping with the Ministry of Management Services' commitment to openness and transparency, we have identified four measures which may be used to evaluate our organizational performance. These measures span a period of transition for the ministry and may reflect performance targets

established by other organizations that preceded the creation of the Ministry of Management Services. As the Ministry moves to realize the goals and performance levels detailed in our Service Plan 2002/03 - 2004/05, we look forward to more comprehensive performance reporting as the information is available.

All of the data used to develop the following performance measures were derived from the Ministry's internal information systems and comply fully with government accounting policies and practices. For additional information on the performance measure methodologies including data sources, calculations and limitations of the data, please visit the Ministry of Management Services Web site at:

http://www.mser.gov.bc.ca/rpts/sp.htm

Performance at a Glance

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Savings from centralized procurement activities	> 10%	14.19%	+ 41.9%	✓
Central procurement operational costs as percentage of value of total goods and services purchased	< 1%	0.93%	-0.07%	✓
Number of public sector agencies utilizing the BC Bid system	50	67	+ 34%	✓
Average number of training hours per employee	—	12.2	—	—

Performance Reporting

Performance Measure: Savings from centralized procurement activities

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase the total value of goods and services obtained through competitive procurement opportunities

Procurement and Supply Services' management of centralized procurement activities for all of government is intended to provide partner organizations with high-quality services capable of generating significant cost savings. This measure encompasses both the efficiency of the centralized purchasing function as well as the total value of purchasing opportunities supported.

Higher savings value indicates an improved ability to provide ministry clients with increased value and competitive benefit in procuring goods and services.

Results:

The performance target for this measure was established in the Ministry of Finance Performance Plan 2001/02.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Savings from centralized procurement activities	> 10%	14.19%	+ 41.9%	✓

Analysis

Context:

- Savings on goods purchased through Purchasing Services are calculated on the difference between the average qualified bid price and the cost of the successful bid. The sum of each calculation is aggregated into the net savings ratio (13.8%) for all goods procurement. An estimated $25.8 million was saved on $187.5 million goods purchased.
- A saving incidence rate of 15% was applied to acquisitions for services acquired through requests for proposals (consistent with savings referenced by the National Institute of Government Purchasing). An estimated $14.3 million was saved on $95.4 million services purchased.
- An estimated $40.1 million was saved on the $282.9 million of goods and services purchased through Purchasing Services (14.19% savings).

Performance Measure: Central procurement operational costs as a percentage of value of total goods and services purchased

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase the total value of goods and services obtained through competitive procurement opportunities

This measure evaluates the efficiency of the government's central procurement services. The cost required to operate the procurement services is contrasted with the value of goods and services managed. Results provided by the measure assist the ministry in monitoring the cost-effectiveness of its operations as well as ensuring transparency and accountability to the clients we serve.

A lower percentage indicates greater efficiency and cost-effectiveness in the delivery of procurement services.

Results:

The performance target for this measure was established in the *Ministry of Finance Performance Plan 2001/02*.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Central procurement operational costs as percentage of value of total goods and services purchased	< 1%	0.93%	0.07%	✓

Analysis

Context:

- Procurement cost-to-spend ratio achieved was better than target. Total value of goods and services purchased through Purchasing Services decreased 11% to $283 million from previous year.
- Operating costs include salaries, benefits, travel, training, information technology and contractor support costs incurred by Purchasing Services to provide procurement services to government.

Performance Measure: Number of public sector agencies utilizing the BC Bid system

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase opportunities for on-line procurement to save costs and maximize value

The ministry's BC Bid system provides the province's public sector with the ability to post their procurement opportunities online allowing them to save costs and maximize taxpayers' value-for-money. This measure evaluates the recognition by public agencies outside the provincial government of the advantages that BC Bid offers their organization.

A higher number indicates that public agencies have increasingly adopted BC Bid as an effective means of notifying suppliers of supply opportunities.

Results:

The performance target for this measure was established in the *Ministry of Finance Performance Plan 2001/02*.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Number of public sector agencies utilizing the BC Bid system	50	67	+ 34%	✔

Analysis

Context:

- Public-sector agencies include Crown corporations, municipalities, academic institutions, school boards and health authorities that registered to use BC Bid and posted at least one notice during the year.
- The number of procurement opportunities posted on BC Bid by these other public-sector agencies increased 27% in 2001-02. The 1,240 notices posted by these other public-sector agencies represent 41.2% of the total 3,007 bid notices posted on BC Bid.
- The number of procurement opportunities posted on BC Bid by ministries increased 9% to 1,767 bid notices in 2001-02.

Performance Measure: Average number of training hours per employee

Goal:	To be a high-performing organization
Objective:	Build essential internal competencies and skill sets to meet current and future Ministry business requirements

The Ministry of Management Services recognizes that our staff provides the foundation for our ability to provide high quality and cost effective services. We remain committed to the development of staff competencies and skill sets that contribute both to enhanced job satisfaction and improved organizational performance. This measure monitors the resources provided to training and development initiatives within the ministry.

A greater number of training hours is indicative of an enhanced commitment to employee professional development and capacity building.

Results:

The performance information for this measure was developed from historical data. As the measure was first introduced in the current year's Service Plan no targets were established. Service Plan performance targets for the 2002 - 2003 are 14 hours of training per employee.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Average number of training hours per employee	—	12.2	—	N/A

Analysis

Context:

- The Ministry has focused upon developing and delivering cost-effective internal training for our employees. The courses and workshops provided reflected a broad range of skills and competencies that addressed opportunities for enhanced personal and organizational performance.
- In addition to position-specific training, the Ministry also offered a wide range of professional development workshops through our Learning and Employee Development Unit (LEDU). LEDU courses ranged from Team Leadership and Communication sessions to Analysis of Work Processes.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 36					
Minister's Office	594	—	594	327	267
Corporate Services	15,634	398	16,032	16,872	(840)
Procurement Services and Government House	4,825	—	4,825	4,731	94
Public Service Appeal Board	438	—	438	435	3
Corporate and Information Programs	12,381	—	12,381	11,845	536
Cross Government Initiatives	4,004	—	4,004	3,872	132
Information Technology Services	1	—	1	193	(192)
Total Vote 36	**37,877**	**398**	**38,275**	**38,275**	**—**
Vote 38 — Product Sales and Services	**1**	**—**	**1**	**0**	**1**
Full-time Equivalents (FTEs)					
Vote 36	**806**	**5**	**811**	**776**	**35**
Vote 38	**400**	**(5)**	**395**	**411**	**(16)**
Capital Expenses ($000)					
Information Systems	**30,475**	**—**	**30,475**	**17,801**	**12,674**
Other	**1,568**	**—**	**1,568**	**881**	**687**
Total Vote 36 and 38	**32,043**	**—**	**32,043**	**18,682**	**13,361**